

Executive Summary – Enforcement Matter – Case No. 47877

PHILLIPS 66 COMPANY

RN102495884

Docket No. 2013-2001-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Borger Refinery, State Spur 119 North, Borger, Hutchinson County

Type of Operation:

Petroleum refinery

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Docket Nos. 2013-0502-AIR-E and 2014-0252-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: August 8, 2014

Comments Received: No

Penalty Information

Total Penalty Assessed: \$68,494

Amount Deferred for Expedited Settlement: \$13,698

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$27,398

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$27,398

Name of SEP: Borger Independent School District (Third-Party Pre-Approved)

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002 and September 2011

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: June 10 through 25, 2013, July 24, 2013

Date(s) of NOE(s): August 21, 2013 and August 22, 2013

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Violation Information

1. Failed to maintain the required daily records for each vacuum truck in operation at the Plant. Specifically, records were not available for September 26 and October 20, 2012 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 80799, Special Conditions ("SC") No. 8C, and Federal Operating Permit ("FOP") No. O1440, Special Terms and Conditions ("STC") No. 20].
2. Failed to operate the flare with no visible emissions except periods not to exceed a total of five minutes during any two consecutive hours. Specifically, visible emissions were observed from Flare 66FL3 for more than five minutes during two consecutive hours on May 29, 2012 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 2C, and FOP No. O1440, STC No. 20].
3. Failed to operate the Sulfur Recovery Unit ("SRU") Tail Gas Incinerators ("TGI") with no visible emissions except for uncombined steam. Specifically, visible emissions were observed from the SRU 34 TGI stack during startup on December 6, 2012 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 10, and FOP No. O1440, STC No. 20].
4. Failed to maintain the concentration of carbon monoxide ("CO") in the Fluid Catalytic Cracking Unit ("FCCU") 40 stack at less than 500 parts per million by volume ("ppmv") on an hourly average at zero percent oxygen when venting through the stack. Specifically, the CO concentration was greater than 500 ppmv in the FCCU 40 stack on January 9 and 31, June 5 and 13, and December 13, 16, and 18, 2012 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 22, and FOP No. O1440, STC No. 20].
5. Failed to maintain the concentration of CO at less than 50 ppm by dry volume ("ppmvd") on a three hour block average for Emissions Point Number ("EPN") SKIDBLR. Specifically, the CO emissions were greater than 50 ppmvd on January 27, June 4 and 5, July 14, and November 26, 2012 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit Nos. 85872 and PSDTX1158, SC No. 1A, and FOP No. O1440, STC No. 20].
6. Failed to submit complete semiannual reports for 40 CODE OF FEDERAL REGULATIONS ("CFR") Part 60, Subpart QQQ. Specifically, the semiannual reports submitted for 2010 through 2012 did not include a certification statement that all of the required inspections had been carried out [30 TEX. ADMIN. CODE § 101.20(1), TEX. HEALTH & SAFETY CODE § 382.085(b), and 40 CFR § 60.698(b)(1)].

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7. Failed to prevent unauthorized emissions. Specifically, the Respondent released 975 pounds ("lbs") of sulfur dioxide, 27 lbs of volatile organic compounds, 11 lbs of hydrogen sulfide, 5 lbs of hydrogen, 3 lbs of CO, and 3 lbs of nitrogen oxides from EPN 66FL12 during an emissions event (Incident No. 182214) that began on April 29, 2013 and lasted one hour and 15 minutes. The event occurred when a relief valve on the Unit 42 Gas Oil Hydrosulfurization Unit lifted prematurely and the vapors were routed to the flare. Since this event could have been avoided by better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 1, and FOP No. 01440, STC No. 20].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. On May 30, 2012, repaired the steam control valve in order to prevent a recurrence of visible emissions from Flare 66FL3;
- b. On October 24, 2012, implemented a Vacuum Truck Checklist to ensure the data required in the daily records for each vacuum truck in operation is properly recorded and maintained;
- c. By November 26, 2012, increased oxygen to the boiler, opened air louvers to add more air, and completed corrective action for emissions events in order to comply with the CO concentration in the Skid Boiler, EPN SKIDBLR;
- d. By December 6, 2012, trained personnel on the importance of making operational adjustments to the SRU, upstream units, and downstream units in order to prevent visible emissions during the startup of the SRU TGI;
- e. By December 19, 2012, made adjustments on slurry to the riser, mixed out ammonia rates to the regenerator, restarted electrostatic precipitators, moved feed/slurry to other risers, unplugged the ammonia injection meters, and made operational adjustments to increase the bed temperature and lower the CO concentration in order to comply with the CO concentration in the FCCU 40 Stack;
- f. By September 30, 2013, began performing visual inspections of relief valves on the Unit 42 Gas Oil Hydrosulfurization Unit to determine if the relief valve needs to be repaired, removed, or replaced in order to prevent a recurrence of emissions events due to similar causes as Incident No. 182214; and

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g. By October 17, 2013, trained staff on the importance of submitting certified and accurate 40 CFR Part 60, Subpart QQQ semi-annual reports and submitted a certification statement for all required inspections that had been carried out were included in the 40 CFR Part 60, Subpart QQQ semi-annual report.

Technical Requirements:

The Order will require the Respondent to implement and complete a Supplemental Environmental Project ("SEP"). (See SEP Attachment A)

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Jessica Schildwachter, Enforcement Division, Enforcement Team 5, MC 149, (512) 239-2617; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565

Respondent: Peter C. Stynes, Refiner Manager, PHILLIPS 66 COMPANY, P.O. Box 271, Borger, Texas 79008

Sandy Keys, Environmental Team Lead, PHILLIPS 66 COMPANY, P.O. Box 271, Borger, Texas 79008

Respondent's Attorney: N/A

Attachment A
Docket Number: 2013-2001-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Phillips 66 Company
Penalty Amount:	Fifty-Four Thousand Seven Hundred Ninety-Six Dollars (\$54,796)
SEP Offset Amount:	Twenty-Seven Thousand Three Hundred Ninety-Eight Dollars (\$27,398)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Borger Independent School District
Project Name:	<i>Borger ISD Clean School Bus Replacement Program</i>
Location of SEP:	Hutchinson County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description
a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Borger Independent School District** for the *Borger ISD Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel and gasoline buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel or gasoline school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director (“ED”), be applied to another pre-approved SEP.

PHILLIPS 66 COMPANY
Agreed Order - Attachment A

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Borger Independent School District SEP** and mail the contribution with a copy of the Agreed Order to:

Borger Independent School District
200 East Ninth Street
Borger, Texas 79008-1177

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount due to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

PHILLIPS 66 COMPANY
Agreed Order - Attachment A

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent, must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	26-Aug-2013	Screening	24-Oct-2013	EPA Due	19-May-2014
	PCW	4-Jun-2014				

RESPONDENT/FACILITY INFORMATION

Respondent	PHILLIPS 66 COMPANY				
Reg. Ent. Ref. No.	RN102495884				
Facility/Site Region	1-Amarillo	Major/Minor Source	Major		

CASE INFORMATION

Enf./Case ID No.	47877	No. of Violations	1
Docket No.	2013-2001-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Jessica Schildwachter
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$300**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **203.0%** Enhancement **Subtotals 2, 3, & 7** **\$609**

Notes: Enhancement for one NOV with same/similar violations, seven orders with denial of liability, and three orders without denial of liability. Reduction for nine notices of intent to conduct an audit and four disclosures of violations.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **-\$30**

Economic Benefit **0.0%** Enhancement* **Subtotal 6** **\$0**

Total EB Amounts \$4
Approx. Cost of Compliance \$250
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$879**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **\$879**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$879**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$175**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY **\$704**

Screening Date 24-Oct-2013

Docket No. 2013-2001-AIR-E

PCW

Respondent PHILLIPS 66 COMPANY

Policy Revision 2 (September 2002)

Case ID No. 47877

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102495884

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	7	140%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	3	75%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	9	-9%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	4	-8%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 203%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for one NOV with same/similar violations, seven orders with denial of liability, and three orders without denial of liability. Reduction for nine notices of intent to conduct an audit and four disclosures of violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 203%

Screening Date 24-Oct-2013

Docket No. 2013-2001-AIR-E

PCW

Respondent PHILLIPS 66 COMPANY

Policy Revision 2 (September 2002)

Case ID No. 47877

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102495884

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 101.20(1), Tex. Health & Safety Code § 382.085(b), and 40 Code of Federal Regulations ("CFR") § 60.698(b)(1)

Violation Description Failed to submit complete semiannual reports for 40 CFR Part 60, Subpart QQQ. Specifically, the semiannual reports submitted for the reporting periods of January 2010 through June 2011 did not include a certification statement that all of the required inspections had been carried out in accordance with 40 CFR Part 60, Subpart QQQ.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
			x

Percent 1%

Matrix Notes

The Respondent failed to comply with less than 30% of the rule requirement.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 3

545 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$300

Three single events are recommended for the three incomplete reports.

Good Faith Efforts to Comply

10.0% Reduction

\$30

	Before NOV	NOV to EDPRP/Settlement Offer
	Extraordinary	
Ordinary		x
N/A		(mark with x)

Notes

The Respondent completed corrective actions by October 17, 2013, after the August 21, 2013 NOE.

Violation Subtotal \$270

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$4

Violation Final Penalty Total \$879

This violation Final Assessed Penalty (adjusted for limits) \$879

Economic Benefit Worksheet

Respondent PHILLIPS 66 COMPANY
Case ID No. 47877
Reg. Ent. Reference No. RN102495884
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	10-Jun-2013	17-Oct-2013	0.35	\$4	n/a	\$4

Notes for DELAYED costs

Estimated cost to train staff on the importance of submitting certified and accurate 40 CFR Part 60, Subpart QQQ semi-annual reports and submit a certification statement for all required inspections that had been carried out in the 40 CFR Part 60, Subpart QQQ semi-annual report. The date required is the investigation date. The final date is the date that corrective actions were completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$4



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES	Assigned	26-Aug-2013	Screening	24-Oct-2013	EPA Due	19-May-2014
	PCW	4-Jun-2014				

RESPONDENT/FACILITY INFORMATION

Respondent	PHILLIPS 66 COMPANY				
Reg. Ent. Ref. No.	RN102495884				
Facility/Site Region	1-Amarillo		Major/Minor Source	Major	

CASE INFORMATION

Enf./Case ID No.	47877	No. of Violations	7
Docket No.	2013-2001-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Jessica Schildwachter
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$38,250**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **100.0%** Enhancement **Subtotals 2, 3, & 7** **\$38,250**

Notes
Enhancement for one NOV with same/similar violations, seven orders with denial of liability, and three orders without denial of liability.
Reduction for nine notices of intent to conduct an audit and four disclosures of violations.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes
The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **-\$8,885**

Economic Benefit **0.0%** Enhancement* **Subtotal 6** **\$0**

Total EB Amounts **\$1,101**
Approx. Cost of Compliance **\$42,250**
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$67,615**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$67,615**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$67,615**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$13,523**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY **\$54,092**

Screening Date 24-Oct-2013

Docket No. 2013-2001-AIR-E

PCW

Respondent PHILLIPS 66 COMPANY

Policy Revision 3 (September 2011)

Case ID No. 47877

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102495884

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	7	140%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	3	75%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	9	-9%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	4	-8%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 203%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

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Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 203%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 100%

Screening Date 24-Oct-2013
Respondent PHILLIPS 66 COMPANY
Case ID No. 47877
Reg. Ent. Reference No. RN102495884
Media [Statute] Air
Enf. Coordinator Jessica Schildwachter
Violation Number 1

Docket No. 2013-2001-AIR-E

PCW

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Permit No. 80799, Special Conditions ("SC") No. 8C, and Federal Operating Permit ("FOP") No. 01440, Special Terms and Conditions ("STC") No. 20

Violation Description Failed to maintain the required daily records for each vacuum truck in operation at the Plant. Specifically, records were not available for September 26 and October 20, 2012.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
	x		

Percent 15.0%

Matrix Notes

The Respondent failed to comply with 100% of the rule requirement.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 2 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$3,750

One single event is recommended for the one set of records not maintained.

Good Faith Efforts to Comply

25.0% Reduction

\$937

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	x
N/A	(mark with x)

Notes

The Respondent completed corrective actions on October 24, 2012, before the August 21, 2013 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1

Violation Final Penalty Total \$6,563

This violation Final Assessed Penalty (adjusted for limits) \$6,563

Economic Benefit Worksheet

Respondent PHILLIPS 66 COMPANY
Case ID No. 47877
Reg. Ent. Reference No. RN102495884
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$250	26-Sep-2012	24-Oct-2012	0.08	\$1	n/a	\$1
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to implement a Vacuum Truck Checklist to ensure data is properly recorded and maintained. The date required is the initial date of noncompliance. The final date is the date that corrective actions were completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$1

Screening Date 24-Oct-2013

Docket No. 2013-2001-AIR-E

PCW

Respondent PHILLIPS 66 COMPANY

Policy Revision 3 (September 2011)

Case ID No. 47877

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102495884

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.715(a), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 2C, and FOP No. 01440, STC No. 20

Violation Description

Failed to operate the flare with no visible emissions except periods not to exceed a total of five minutes during any two consecutive hours. Specifically, visible emissions were observed from Flare 66FL3 for more than five minutes during two consecutive hours on May 29, 2012.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$937

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	x
N/A	(mark with x)

Notes

The Respondent completed corrective actions on May 30, 2012, before the August 21, 2013 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$6,563

This violation Final Assessed Penalty (adjusted for limits) \$6,563

Economic Benefit Worksheet

Respondent PHILLIPS 66 COMPANY
Case ID No. 47877
Reg. Ent. Reference No. RN102495884
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$2,000	29-May-2012	30-May-2012	0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to repair the steam control valve. The date required is the date of noncompliance. The final date is the date that corrective actions were completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

TOTAL

\$0

Screening Date 24-Oct-2013
Respondent PHILLIPS 66 COMPANY
Case ID No. 47877
Reg. Ent. Reference No. RN102495884
Media [Statute] Air
Enf. Coordinator Jessica Schildwachter

Docket No. 2013-2001-AIR-E

PCW

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.715(a), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 10, and FOP No. O1440, STC No. 20

Violation Description

Failed to operate the Sulfur Recovery Unit ("SRU") Tail Gas Incinerators ("TGI") with no visible emissions except for uncombined steam. Specifically, visible emissions were observed from the SRU 34 TGI stack during startup on December 6, 2012.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification			
	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

1 **Number of violation days**

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$937

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes

The Respondent completed corrective actions by December 6, 2012, before the August 21, 2013 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$6,563

This violation Final Assessed Penalty (adjusted for limits) \$6,563

Economic Benefit Worksheet

Respondent PHILLIPS 66 COMPANY
Case ID No. 47877
Reg. Ent. Reference No. RN102495884
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	6-Dec-2012	6-Dec-2012	0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to train personnel on the importance of making operational adjustments to the SRU, upstream units, and downstream units in order to prevent visible emissions during the startup of the SRU TGI. The date required is the date of noncompliance. The final date is the date that corrective actions were completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

TOTAL

\$0

Screening Date 24-Oct-2013

Docket No. 2013-2001-AIR-E

PCW

Respondent PHILLIPS 66 COMPANY

Policy Revision 3 (September 2011)

Case ID No. 47877

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102495884

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.715(a), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 22, and FOP No. 01440, STC No. 20

Violation Description

Failed to maintain the concentration of carbon monoxide ("CO") in the Fluid Catalytic Cracking Unit ("FCCU") 40 stack at less than 500 parts per million by volume ("ppmv") on an hourly average at zero percent oxygen when venting through the stack. Specifically, the CO concentration was greater than 500 ppmv in the FCCU 40 stack on January 9 and 31, June 5 and 13, and December 13, 16, and 18, 2012.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Major	Harm	Minor
Actual		Moderate	X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 3

7 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$11,250

Three quarterly events are recommended for the three quarters during which the exceedances occurred.

Good Faith Efforts to Comply

25.0% Reduction

\$2,812

Extraordinary

Ordinary

N/A

Notes

Before NOV NOV to EDPRP/Settlement Offer

(mark with x)

The Respondent completed corrective actions by December 19, 2012, before the August 21, 2013 NOE.

Violation Subtotal \$8,438

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$473

Violation Final Penalty Total \$19,688

This violation Final Assessed Penalty (adjusted for limits) \$19,688

Economic Benefit Worksheet

Respondent PHILLIPS 66 COMPANY

Case ID No. 47877

Reg. Ent. Reference No. RN102495884

Media Air

Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Overtime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	9-Jan-2012	19-Dec-2012	0.95	\$473	n/a	\$473

Notes for DELAYED costs

Estimated cost to make adjustments on slurry to the riser, mix out ammonia rates to the regenerator, restart electrostatic precipitators, move feed/slurry to other risers, unplug the ammonia injection meters, and make operational adjustments to increase the bed temperature and lower the CO concentration in order to comply with the CO concentration in the FCCU 40 Stack. The date required is the initial date of noncompliance. The final date is the date that corrective actions were completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

TOTAL

\$473

Screening Date 24-Oct-2013
Respondent PHILLIPS 66 COMPANY
Case ID No. 47877
Reg. Ent. Reference No. RN102495884
Media [Statute] Air
Enf. Coordinator Jessica Schildwachter

Docket No. 2013-2001-AIR-E

PCW

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

Violation Number 5

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.115(c), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Permit Nos. 85872 and PSDTX1158, SC No. 1A, and FOP No. 01440, STC No. 20

Violation Description

Failed to maintain the concentration of CO at less than 50 ppm by dry volume ("ppmvd") on a three hour block average for Emissions Point Number ("EPN") SKIDBLR. Specifically, the CO emissions were greater than 50 ppmvd on January 27, June 4 and 5, July 14, and November 26, 2012.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification			
	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 3

5 **Number of violation days**

mark only one with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$11,250

Three quarterly events are recommended for the three quarters during which the exceedances occurred.

Good Faith Efforts to Comply

25.0% Reduction

\$2,812

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective actions by November 26, 2012, before the August 21, 2013 NOE.

Violation Subtotal \$8,438

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$416

Violation Final Penalty Total \$19,688

This violation Final Assessed Penalty (adjusted for limits) \$19,688

Economic Benefit Worksheet

Respondent PHILLIPS 66 COMPANY
Case ID No. 47877
Reg. Ent. Reference No. RN102495884
Media Air
Violation No. 5

Percent Interest 5.0
Years of Depreciation 15

Item Cost **Date Required** **Final Date** **Yrs** **Interest Saved** **Onetime Costs** **EB Amount**
Item Description No commas or \$

Delayed Costs

Equipment			0.00	\$0	\$0	\$0
Buildings			0.00	\$0	\$0	\$0
Other (as needed)			0.00	\$0	\$0	\$0
Engineering/construction			0.00	\$0	\$0	\$0
Land			0.00	\$0	n/a	\$0
Record Keeping System			0.00	\$0	n/a	\$0
Training/Sampling			0.00	\$0	n/a	\$0
Remediation/Disposal			0.00	\$0	n/a	\$0
Permit Costs			0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	27-Jan-2012	26-Nov-2012	0.83	\$416	n/a

Notes for DELAYED costs

Estimated cost to increase oxygen to the boiler, open air louvers to add more air, and complete corrective action for emissions events in order to comply with the CO concentration in the Skid Boiler, EPN SKIDBLR. The date required is the initial date of noncompliance. The final date is the date that corrective actions were completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal			0.00	\$0	\$0	\$0
Personnel			0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling			0.00	\$0	\$0	\$0
Supplies/equipment			0.00	\$0	\$0	\$0
Financial Assurance [2]			0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]			0.00	\$0	\$0	\$0
Other (as needed)			0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

TOTAL

\$416

Screening Date 24-Oct-2013
Respondent PHILLIPS 66 COMPANY
Case ID No. 47877
Reg. Ent. Reference No. RN102495884
Media [Statute] Air
Enf. Coordinator Jessica Schildwachter
Violation Number 6

Docket No. 2013-2001-AIR-E

PCW

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

Rule Cite(s) 30 Tex. Admin. Code § 101.20(1), Tex. Health & Safety Code § 382.085(b), and 40 Code of Federal Regulations ("CFR") § 60.698(b)(1)

Violation Description Failed to submit complete semiannual reports for 40 CFR Part 60, Subpart QQQ. Specifically, the semiannual reports submitted for the reporting periods of July 2011 through December 2012 did not include a certification statement that all of the required inspections had been carried out in accordance with 40 CFR Part 60, Subpart QQQ.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
			x

Percent 1.0%

Matrix Notes

The Respondent failed to comply with less than 30% of the rule requirement.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 3

549 **Number of violation days**

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$750

Three single events are recommended for the three incomplete reports.

Good Faith Efforts to Comply

10.0% Reduction

\$75

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		x
N/A		(mark with x)

Notes

The Respondent completed corrective actions by October 17, 2013, after the August 21, 2013 NOE.

Violation Subtotal \$675

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$1,425

This violation Final Assessed Penalty (adjusted for limits) \$1,425

Economic Benefit Worksheet

Respondent PHILLIPS 66 COMPANY

Case ID No. 47877

Reg. Ent. Reference No. RN102495884

Media Air

Violation No. 6

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The economic benefit for this violation is included in Violation No. 1 of the accompanying Penalty Calculation Worksheet.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 24-Oct-2013

Docket No. 2013-2001-AIR-E

PCW

Respondent PHILLIPS 66 COMPANY

Policy Revision 3 (September 2011)

Case ID No. 47877

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102495884

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 7

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.715(a), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 1, and FOP No. O1440, STC No. 20

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 975 pounds ("lbs") of sulfur dioxide, 27 lbs of volatile organic compounds, 11 lbs of hydrogen sulfide, 5 lbs of hydrogen, 3 lbs of CO, and 3 lbs of nitrogen oxides from EPN 66FL12 during an emissions event (Incident No. 182214) that began on April 29, 2013 and lasted one hour and 15 minutes. The event occurred when a relief valve on the Unit 42 Gas Oil Hydrosulfurization Unit lifted prematurely and the vapors were routed to the flare. Since this event could have been avoided by better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

10.0% Reduction

\$375

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	x
N/A	(mark with x)

Notes

The Respondent completed corrective actions by September 30, 2013, after the August 22, 2013 NOE.

Violation Subtotal \$3,375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$211

Violation Final Penalty Total \$7,125

This violation Final Assessed Penalty (adjusted for limits) \$7,125

Economic Benefit Worksheet

Respondent PHILLIPS 66 COMPANY
Case ID No. 47877
Reg. Ent. Reference No. RN102495884
Media Air
Violation No. 7

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	29-Apr-2013	30-Sep-2013	0.42	\$211	n/a	\$211

Notes for DELAYED costs

Estimated cost to perform visual inspections of relief valves on the Unit 42 Gas Oil Hydrosulfurization Unit to determine if the relief valve needs to be repaired, removed, or replaced in order to prevent a recurrence of emissions events due to similar causes as Incident No. 182214. The date required is the date of the emissions event. The final date is the date that corrective actions were completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

TOTAL

\$211



Compliance History Report

PUBLISHED Compliance History Report for CN604065912, RN102495884, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

Customer, Respondent, or Owner/Operator: CN604065912, PHILLIPS 66 COMPANY

Classification: SATISFACTORY

Rating: 16.29

Regulated Entity: RN102495884, BORGER REFINERY

Classification: SATISFACTORY

Rating: 35.76

Complexity Points: 50

Repeat Violator: NO

CH Group: 02 - Oil and Petroleum Refineries

Location: STATE SPUR 119 N BORGER, TX, HUTCHINSON COUNTY

TCEQ Region: REGION 01 - AMARILLO

ID Number(s):

POLLUTION PREVENTION PLANNING ID NUMBER P00529

POLLUTION PREVENTION PLANNING ID NUMBER P07213

WASTEWATER PERMIT WQ0001064000

AIR NEW SOURCE PERMITS PERMIT 9868A

AIR NEW SOURCE PERMITS REGISTRATION 11449A

AIR NEW SOURCE PERMITS REGISTRATION 11429A

AIR NEW SOURCE PERMITS REGISTRATION 22777

AIR NEW SOURCE PERMITS PERMIT 43073

AIR NEW SOURCE PERMITS AFS NUM 4823300015

AIR NEW SOURCE PERMITS PERMIT 71385

AIR NEW SOURCE PERMITS REGISTRATION 82659

AIR NEW SOURCE PERMITS PERMIT 85872

AIR NEW SOURCE PERMITS REGISTRATION 90208

AIR NEW SOURCE PERMITS REGISTRATION 87458

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX102M8

AIR NEW SOURCE PERMITS REGISTRATION 98518

AIR NEW SOURCE PERMITS REGISTRATION 99365

AIR NEW SOURCE PERMITS REGISTRATION 105116

AIR NEW SOURCE PERMITS REGISTRATION 99345

AIR NEW SOURCE PERMITS REGISTRATION 105233

AIR NEW SOURCE PERMITS REGISTRATION 107922

AIR NEW SOURCE PERMITS REGISTRATION 105145

AIR NEW SOURCE PERMITS REGISTRATION 115785

AIR NEW SOURCE PERMITS REGISTRATION 112249

AIR NEW SOURCE PERMITS REGISTRATION 114364

AIR NEW SOURCE PERMITS REGISTRATION 105234

AIR NEW SOURCE PERMITS REGISTRATION 106066

AIR OPERATING PERMITS ACCOUNT NUMBER HW0018P

AIR OPERATING PERMITS PERMIT 2166

UNDERGROUND INJECTION CONTROL PERMIT WDW382

IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION # (SWR) 30111

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HW0018P

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 30111

INDUSTRIAL AND HAZARDOUS WASTE OTS REQUEST 37309

STORMWATER PERMIT TXR15WO16

LEAKING PETROLEUM STORAGE TANKS REMEDIATION ID NUMBER 95088

WASTEWATER EPA ID TX0009148

AIR NEW SOURCE PERMITS REGISTRATION 11042A

AIR NEW SOURCE PERMITS REGISTRATION 11935A

AIR NEW SOURCE PERMITS REGISTRATION 14441A

AIR NEW SOURCE PERMITS REGISTRATION 34417

AIR NEW SOURCE PERMITS ACCOUNT NUMBER HW0018P

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX102M6

AIR NEW SOURCE PERMITS PERMIT 80799

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1158

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX102M7

AIR NEW SOURCE PERMITS REGISTRATION 90182

AIR NEW SOURCE PERMITS REGISTRATION 87158

AIR NEW SOURCE PERMITS REGISTRATION 95901

AIR NEW SOURCE PERMITS REGISTRATION 96328

AIR NEW SOURCE PERMITS REGISTRATION 100477

AIR NEW SOURCE PERMITS REGISTRATION 99373

AIR NEW SOURCE PERMITS REGISTRATION 102757

AIR NEW SOURCE PERMITS REGISTRATION 114332

AIR NEW SOURCE PERMITS REGISTRATION 105235

AIR NEW SOURCE PERMITS REGISTRATION 107921

AIR NEW SOURCE PERMITS REGISTRATION 105237

AIR NEW SOURCE PERMITS REGISTRATION 114429

AIR NEW SOURCE PERMITS REGISTRATION 104928

AIR NEW SOURCE PERMITS REGISTRATION 105147

AIR NEW SOURCE PERMITS REGISTRATION 105236

AIR OPERATING PERMITS PERMIT 1440

UNDERGROUND INJECTION CONTROL PERMIT WDW380

UNDERGROUND INJECTION CONTROL PERMIT WDW325

WASTEWATER PERMIT TXG670145

INDUSTRIAL AND HAZARDOUS WASTE PERMIT 50078

INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD980626774

INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXP490351878

LEAKING PETROLEUM STORAGE TANKS REMEDIATION ID NUMBER 95146

LEAKING PETROLEUM STORAGE TANKS REMEDIATION ID NUMBER 109760

Compliance History Period: September 01, 2008 to August 31, 2013

Rating Year: 2013

Rating Date: 09/01/2013

Date Compliance History Report Prepared: February 13, 2014

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: February 13, 2009 to February 13, 2014

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Kimberly Morales

Phone: (713) 422-8938

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

- 1 Effective Date: 05/18/2009 ADMINORDER 2008-1636-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Permit PERMIT
Special Condition No. 1 PERMIT
Description: Failed to comply with permitted emissions limits for nitrogen oxides. Specifically, on September 3, 2008, Refinery Boiler 2.4 (EPN 81B17) exceeded the nitrogen oxides emissions subcap limit.
- 2 Effective Date: 11/27/2009 ADMINORDER 2009-0129-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 111, SubChapter A 111.111(a)(1)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Special Conditions 1 and 23 PERMIT
Description: Failed to comply with permitted emissions limits. Specifically, during an emissions event on June 1, 2008, a tube failure occurred on Boiler 2.4 causing a steam system upset impacting most of the plant: the gas oil hydrodesulfurizer hydrocarbons ("GOHDS HC") Flare [Emissions Point Number ("EPN") 66FL12], the Cat Flare (EPN 66FL3), Unit 40 Fluid Catalytic Cracking Unit ("FCCU") (EPN 40PI), Unit 34 Sulfur Recovery Unit ("SRU") Incinerator (EPN 34I1), and Unit 43 SRU (EPN 43I1) emitted
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: SC 1 PERMIT
Description: Failed to comply with permitted emissions limits. Specifically, during an emissions event on June 29, 2008, hydrocarbon contamination of the Central Still Amine Absorber caused a shut down, and the Unit 34 SRU Incinerator (EPN 34I1) emitted 464 lbs of SO₂, 175 lbs of H₂S, 2.1 lbs of NO_x, and 0.55 lb of CO over a 34 minute period. Since these emissions could have been avoided by better design and/or operational practices, the emissions are not subject to an affirmative defense
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: SC 1 PERMIT

Description: Failed to comply with permitted emissions limits. Specifically, during an emissions event on July 19, 2008, the Unit 34 Tail Gas Treatment Unit stripper foamed, causing a unit shut down, and the Unit 34 SRU Incinerator (EPN 34I1) emitted 716 lbs of SO₂, 7.62 lbs of H₂S, 1.53 lbs of NO_x, and 0.38 lb of CO over a 23 minute period. Since these emissions could have been avoided by better design and/or operational practices, the emissions are not subject to an affirmative defense . . .

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC 1 PERMIT

Description: Failed to comply with permitted emissions limits. Specifically, during an emissions event on July 29, 2008, flaring occurred at the atmospheric residual desulfurization ("ARDS") Flare (EPN 66FL12) due to a pressure increase in the first stage suction scrubber in the Flash Gas Compressor in Unit 41, and the flare emitted 639 lbs of SO₂, seven lbs of H₂S, 0.86 lb of NO_x, 1.03 lbs of CO, and 3.37 lbs of VOC over a 20 minute period. Since these emissions were not timely reported . . .

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)
5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Patton Creek area without notifying the Amarillo Regional Office.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)
5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Area 1 (also known as North Coble) without notifying the Amarillo Regional Office.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THSC Chapter 382 382.0518(a)
5C THSC Chapter 382 382.085(b)

Description: Failed to have authorization to operate a source of air emissions. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Area 3 without notice or authorization. Emissions data subsequently submitted by the Respondent on November 21, 2008, in connection with attempting to claim Permit by Rule authorization for the system, established that emissions were above those authorized by Permit by Rule.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)
5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Area 4 without notifying the Amarillo Regional Office.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)
5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's HP-7 remediation site without notifying the Amarillo Regional Office.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)
5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Jackson's Hole remediation site without notifying the Amarillo Regional Office.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)
5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Old Canyon Dam (also known as Area 3A) without notifying the Amarillo Regional Office.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)
5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Lot 7 remediation site without notifying the Amarillo Regional Office.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)
5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Old Caustic Pond remediation site without notifying the Amarillo Regional Office.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC 2B PERMIT

Description: Failed to maintain instrument monitoring of the flare pilot flame. Specifically, the Non-Corrosive Flare's (EPN 66FL4) pilot flame was not monitored by instrument on the following dates: December 22, 2007, March 3, May 7, and May 8, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC 2C PERMIT

Description: Failed to operate flares with no visible emissions, except for periods not to exceed a total of five minutes during any two consecutive hours. Specifically, those conditions were exceeded at the 100M Sour Water Treater Brine Flare Pit (EPN 66FL10) on March 13, 2008, at the ARDS Emergency Sulfur Flare (EPN 66FL13) on May 23, 2008, and at the Natural Gas Liquids Non-Corrosive Flare (EPN 66FL4) on March 7 and June 16, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC 10 PERMIT

Description: Failed to operate the SRU Tail Gas Incinerator with no visible emissions, except for uncombined steam. Specifically, visible emissions were observed from the Unit 43 incinerator stack on January 11 and April 2, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC 11 PERMIT

Description: Failed to operate the SRU thermal reactor at all times with a stable flame and to maintain the flame temperature at not less than 2,000 degrees Fahrenheit. Specifically, the SRU Unit 43 A's Thermal Reactor did not maintain the required flame and temperature on November 12, 2007.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC 14 PERMIT

Description: Failed to maintain the SRU 43 sulfur pit connected to a vapor collection system which routes the recovered vapors back into the process. Specifically, the SRU Unit 43 vapor collection system was not operational on January 2 and April 9, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC 28 PERMIT

Description: Failed to limit the fuel gas used to fire all of the Plant's heaters, boilers, and TGIs to a short term H2S concentration of no more than 162 parts per million volume. Specifically, the fuel gas exceeded that concentration on August 9, 2007 and March 9, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC 41 PERMIT

Description: Failed to limit NOX emissions from an engine. Specifically, Engine 47 in Unit 12 (EPN 12E7), a White Superior engine, failed the NOX emissions limit of 2.0 grams per horse-power hour during a stack test on October 2, 2007.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC 55 PERMIT

Description: Failed to ensure that a minimum coke moisture content of six percent by weight was maintained during coke handling and storage operations. Specifically, 60 samples taken between December 3, 2007 and December 23, 2008 showed moisture content between 0.7 and 5.95%.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC59B PERMIT

Description: Failed to take samples and perform moisture analyses of coke piles. Specifically, the Respondent failed to do the sampling and analyses on the following dates: November 27, December 13, December 21, December 23, December 27, 2007, January 30, February 4, April 21, and April 26, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.102(a)(1)

5C THSC Chapter 382 382.085(b)

Description: Failed to limit PM emissions from the Unit 29 FCCU catalyst regenerator to no more than 1.0 kilograms per megagram (2.0 lb/ton). Specifically, a test conducted on December 6, 2007 showed that limit was exceeded.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 111, SubChapter A 111.111(a)(1)

30 TAC Chapter 116, SubChapter G 116.715(a)

30 TAC Chapter 116, SubChapter G 116.715(c)(7)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC 1 PERMIT

SC 23 PERMIT

Description: Failed to comply with permitted emissions limits. Specifically, during an emissions event on January 17, 2009, contaminated amine caused a temperature excursion and shut-down of the SRU 34 Feed Heater due to faulty level transmitters and the design of the level gauges, which made it difficult for plant operations to see the actual level of the absorbers. This condition, in turn, resulted in the following unauthorized emissions from the SRU incinerator (EPN 3411):

3 Effective Date: 12/18/2009 ADMINORDER 2009-1156-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: No. 9868A and PSD-TX-10M7, SC 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: Flex Permit 9868A and PSD-TX-102, SC 1 PERMIT

Description: Failed to prevent unauthorized emissions.

4 Effective Date: 09/26/2010 ADMINORDER 2010-0178-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: PSDTX102M7, Special Condition (SC) No.1 PERMIT

Description: Failure to prevent unauthorized emissions from the GOHDS flare on August 17, 2009.

Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145(2)(A)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Provision No. 18 OP

Description: Failed to submit a complete deviation report no later than 30 days after the end of the reporting period.

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.1090

40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6640(a)

5C THSC Chapter 382 382.085(b)

Description: Failure to maintain Unit 12, Engine 42's catalyst on March 27, 2009 so that the pressure drop across the catalyst does not exceed the limits established during the performance test.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.106(j)(1)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Terms and Conditions No. 1.A. OP

Description: Failure to collect one fresh feed sulfur sample once per eight-hour period.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.357(a)

5C THSC Chapter 382 382.085(b)

Description: Failure to submit the initial required benzene reports within 90 days of startup for the following units, which were started in June 2007: Unit 50 (Coker), Unit 51 (Vacuum), and Unit 19.3 (Hydrogen).

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)

5C THSC Chapter 382 382.085(b)

Description: Failure to submit a complete final report for emissions event No. 124305 which occurred on May 15, 2009.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: PSDTX102M7, SC No.1 PERMIT

Description: Failure to prevent unauthorized emissions from the Unit 34 incinerator stack on November 10, 2009.

5 Effective Date: 11/15/2010 ADMINORDER 2010-0675-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: Flexible Permit 9868A, SC 1 PERMIT

Description: Failed to prevent unauthorized emissions. Since this event could have been avoided by better maintenance procedures for air cooler belts, the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222 were not met.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: Flexible Permit 9868A, SC 1 PERMIT

Description: Failed to prevent unauthorized emissions. Since this event could have been avoided by either protecting the current power source, or ensuring backup power, the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222 were not met.

6 Effective Date: 05/08/2011 ADMINORDER 2010-1795-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Major

Citation: 30 TAC Chapter 122, SubChapter C 122.221(a)

5C THSC Chapter 382 382.0541(a)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: O-01440 OP

Description: Failed to obtain significant revision of the Borger Refinery's federal operating permit, prior to the issuance of the revised federal operating permit in violation of 30 Tex. Admin. Code Ch. 122.221(a) and Tex. Health & Safety Code Ch. 382.0541(a)(1). Specifically, the respondent failed to obtain admendments associated with the modification to the Borger Refinery called the "Gasoline Benzene Reduction Project".

7 Effective Date: 11/03/2011 ADMINORDER 2011-0326-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 9868A and PSDTX102M7, SC 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter F 116.615(4)
5C THSC Chapter 382 382.085(b)

Description: Failed to submit notification for the start of construction and completion of construction within 15 days of occurrence of the event.

Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter F 116.615(5)
5C THSC Chapter 382 382.085(b)

Description: Failed to submit notification prior to the commencement of operation.

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.1090
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6640(a)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP O1440, General Terms and Conditions OP

Description: Failed to maintain the temperature of the stationary reciprocating internal combustion engine exhaust so the catalyst inlet temperature is greater than or equal to 750°F.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(f)(2)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 9868A and PSDTX102M7, SC 2.B. PERMIT

FOP O1440, ST&C 17.A. OP

Description: Failed to monitor the pilot flame with a thermocouple, an infrared monitor, or equivalent device.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(1)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 9868A and PSDTX102M7, SC 27 PERMIT

FOP O1440, ST&C 17.A. OP

Description: Failed to maintain the H2S concentration in the fuel gas used to fire all heaters, boilers, and tail gas incinerators below 162 ppmv.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.650(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT Q 63.427(a)(3)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP O1440, General Terms and Conditions OP

Description: Failed to operate and maintain a continuous monitoring system capable of measuring the temperature of the thermal oxidizer.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 9868A and TSDTX102M7, SC 1 PERMIT

Description: Failed to prevent unauthorized emissions.

8 Effective Date: 02/18/2012 ADMINORDER 2011-1328-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Flexible Permit No. 9868A and PSDTX102M7 PERMIT

Description: The facility failed to prevent unauthorized emissions during the incident No. 152189 by failing to meet the affirmative defense criteria (b)(2) and (b)(3) of the provisions of 30 TAC Chapter 101, §101.222(b). This facility is in violation of the provisions of 30 TAC Chapter 116, §116.715(a) and §382.085(b).

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Flexible Permit No. 9868A and PSDTX102M7 PERMIT

Description: The facility failed to prevent unauthorized emissions during the incident No. 152427 by failing to meet the affirmative defense criteria (b)(2) and (b)(3) of the provisions of 30 TAC Chapter 101, §101.222(b). This facility is in violation of the provisions of 30 TAC Chapter 116, §116.715(a) and §382.085(b).

9 Effective Date: 06/08/2012 ADMINORDER 2011-1680-IHW-E (1660 Order-Agreed Order With Denial)

Classification: Major

Citation: 30 TAC Chapter 335, SubChapter A 335.2(b)
40 CFR Chapter 270, SubChapter I, PT 270, SubPT A 270.1(c)

Rqmt Prov: IV.B.1 PERMIT

Description: Failed to prevent the disposal of an unauthorized hazardous waste into a permitted waste management unit. Specifically, the Respondent disposed of 180 barrels of spent caustic waste (Hazardous Waste Code 2908019H) on July 10, 2011 into a permitted surface impoundment (Permitted Unit No. 2, Notice of Registration Waste Management Unit No. 032) which is a unit not authorized to receive this waste.

10 Effective Date: 11/16/2013 ADMINORDER 2013-0904-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC No. 1 PA

Description: Failed to prevent unauthorized emissions during the incident No. 177546 on December 30, 2012. Specifically, the incident failed the affirmative defense criteria of 30 TAC Chapter 101, §101.222(b)(2) and §101.222(b)(3).

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	March 13, 2009	(738460)
Item 2	March 16, 2009	(722376)
Item 3	March 20, 2009	(739343)
Item 4	April 09, 2009	(702467)
Item 5	June 09, 2009	(748196)
Item 6	July 07, 2009	(759763)
Item 7	September 30, 2009	(776673)
Item 8	December 21, 2009	(786080)
Item 9	December 28, 2009	(786674)
Item 10	March 09, 2010	(793850)
Item 11	March 29, 2010	(797217)
Item 12	April 29, 2010	(800142)
Item 13	May 19, 2010	(803083)
Item 14	May 25, 2010	(802372)
Item 15	May 26, 2010	(824743)
Item 16	July 23, 2010	(842679)
Item 17	August 10, 2010	(843540)
Item 18	October 29, 2010	(872276)
Item 19	December 01, 2010	(879347)
Item 20	January 03, 2011	(886732)
Item 21	January 05, 2011	(886112)
Item 22	January 10, 2011	(886730)
Item 23	February 01, 2011	(890887)
Item 24	February 03, 2011	(892932)
Item 25	May 19, 2011	(921431)
Item 26	July 11, 2011	(937169)

Item 27	July 14, 2011	(937214)
Item 28	July 21, 2011	(937524)
Item 29	August 10, 2011	(942876)
Item 30	October 05, 2011	(937579)
Item 31	October 06, 2011	(957987)
Item 32	October 11, 2011	(962081)
Item 33	November 22, 2011	(969323)
Item 34	March 16, 2012	(994450)
Item 35	September 14, 2012	(1030291)
Item 36	November 07, 2012	(1042066)
Item 37	December 06, 2012	(1050402)
Item 38	December 21, 2012	(1052288)
Item 39	February 05, 2013	(1055773)
Item 40	March 08, 2013	(1073019)
Item 41	March 26, 2013	(1075828)
Item 42	May 09, 2013	(1088079)
Item 43	June 17, 2013	(1095137)
Item 44	June 20, 2013	(1099601)
Item 45	September 16, 2013	(1116551)
Item 46	October 09, 2013	(1123056)
Item 47	November 01, 2013	(1128254)
Item 48	January 21, 2014	(1140203)
Item 49	February 04, 2014	(1145611)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	08/21/2013	(1100990)	CN604065912
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT W 60.482-1(a) 5C THSC Chapter 382 382.085(b)		
	Description:	The facility is in violation of the provisions of 40 CFR §60.482-1(a), 5C THSC §382.085(b), and 30 TAC §122.143(4) for failure to monitor numerous valves and pumps according to LDAR provisions of Subpart VV.		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2(a)(1) 5C THSC Chapter 382 382.085(b)		
	Description:	The facility is in violation of the provisions of 40 CFR §60.482-2(a)(1), 5C THSC §382.085(b), and 30 TAC §122.143(4) by failure to monitor the affected pumps monthly instead of annually.		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-4(b)(1) 5C THSC Chapter 382 382.085(b)		
	Description:	The facility is in violation of the provisions of 40 CFR §60.482-4(b)(1), 5C THSC §382.085(b), and 30 TAC §122.143(4) by failure to monitor the affected pressure relief devices within 5 days following the release.		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-9(a) 5C THSC Chapter 382 382.085(b)		
	Description:	The review of the deviation report, submitted on January 30, 2013 (page 50 of 61) indicated that the pump tag No. 67-G501 in Unit F-1 was not repaired during the scheduled outage. The facility is in violation of the provisions of 40 CFR §60.482-9(a), 5C THSC §382.085(b), and 30 TAC §122.143(4).		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)(2)(i) 5C THSC Chapter 382 382.085(b)		
	Description:	The review of the deviation report, submitted on January 30, 2013 (page 51 of 61) indicated that three (3) new valves were not monitored within 30 days of startup. The facility is in violation of the provisions of 40 CFR §60.482-7(a)(2)(i), 5C THSC §382.085(b), and 30 TAC §122.143(4).		
	Self Report?	NO		Classification: Moderate

Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(1) 5C THSC Chapter 382 382.085(b)		
Description:	The review of the deviation report, submitted on January 30, 2013 (pages 51 and 56 of 61) indicated that two (2) valves had late final attempts. The facility is in violation of the provisions of 40 CFR §60.482-7(d)(1), 5C THSC §382.085(b), and 30 TAC §122.143(4).		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1) 5C THSC Chapter 382 382.085(b)		
Description:	The review of the deviation report, submitted on January 30, 2013 indicated that two (2) open-ended valves were identified during an LDAR audit. The facility is in violation of the provisions of 40 CFR §60.482-6(a)(1), 5C THSC §382.085(b), and 30 TAC §122.143(4).		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(1) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(2) 5C THSC Chapter 382 382.085(b)		
Description:	The review of the deviation report, submitted on January 30, 2013 (page 57 of 61) indicated that two (2) valves were found leaking on December 20, 2012, but the 5 and 15 day repair attempts were missed. The facility is in violation of the provisions of 40 CFR §§60.482-7(d)(1)-(d)(2), 5C THSC §382.085(b), and 30 TAC §122.143(4).		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) SC No. 20 OP SC No. 8 PA		
Description:	The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC §122.143(4), 5C THSC §382.085(b), special condition No. 8 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440 by failure to operate Unit 34 incinerator within the operating temperature and oxygen concentration limits.		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) SC No. 11 PA SC No. 20 OP		
Description:	The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC §122.143(4), and 5C THSC §382.085(b), special condition No. 11 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440 by failure to operate Unit 43 thermal reactors within the operating temperature.		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) SC No. 20 OP SC No. 54 PA		
Description:	The review of the deviation report, submitted on July 27, 2012 (page 46 of 56) indicated that the minimum coke moisture level was not maintained on June 11, 2012. The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC §122.143(4), and 5C THSC §382.085(b), special condition No. 54 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440.		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) SC No. 20 OP SC No. 55 PA		
Description:	The review of the deviation report, submitted on January 30, 2013 (page 49 of 61) indicated that no samples were tested for coke moisture on July 15, 2012. The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC §122.143(4), and 5C THSC §382.085(b), special condition No. 55 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440.		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) SC No. 20 OP		

SC No. 44(B) PA		
Description:	The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC §122.143(4), and 5C THSC §382.085(b), special condition No. 44(B) of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440 by failure to perform engines tests within 14 days following the maintenance activities.	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) SC No. 10 PA SC No. 20 OP	
Description:	Visible emissions were observed from Unit 43 incinerator stack and Derrick Flare on February 5, 2012. The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC 122.143(4), 5C THSC 382.085(b), special condition No. 10 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440.	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) SC No. 2(C) PA SC No. 20 OP	
Description:	The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC 122.143(4), 5C THSC 382.085(b), special condition No. 2(C) of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440 for failure to operate the affected flares with no visible emissions.	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGGa 60.592a(a) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VVa 60.487a(a) 5C THSC Chapter 382 382.085(b)	
Description:	The review of the deviation report. Submitted on July 27, 2012 (page 52 of 56) indicated that Phillips failed to submit the semi-annual reports for Skid Boiler and GBR Unit 6 months after their initial startup. The facility is in violation of the provisions of 40 CFR 60 Subpart GGGa §60.592a(a), 40 CFR 60 Subpart VVa §60.487a(a), 5C THSC 382.085(b), and 30 TAC §122.143(4).	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGGa 60.592a(a) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VVa 60.486a(c) 5C THSC Chapter 382 382.085(b)	
Description:	The review of the deviation report submitted on July 27, 2012 (page 52 of 56) indicated that Phillips failed to keep the records of leaking connectors for Skid Boiler and GBR Unit. The facility is in violation of the provisions of 40 CFR 60 Subpart GGGa §60.592a(a), 40 CFR 60 Subpart VVa §60.486a(c), 5C THSC 382.085(b), and 30 TAC §122.143(4).	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGGa 60.592a(a) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT Wa 60.486a(a)(3) 5C THSC Chapter 382 382.085(b)	
Description:	The review of the deviation report submitted on July 27, 2012 (page 52 of 56) indicated that Phillips failed to keep the required information for the connectors for Skid Boiler and GBR Unit. The facility is in violation of the provisions of 40 CFR 60 Subpart GGGa §60.486a(a)(3), 5C THSC 382.085(b), and 30 TAC §122.143(4).	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7(a)(4) 5C THSC Chapter 382 382.085(b)	
Description:	The review of the deviation report, submitted on July 27, 2012 (page 53 of 56) indicated that Phillips failed to submit the regulatory applicability notification of Subpart A for the Skid Boiler and GBR Unit. The facility is in violation of the provisions of 40 CFR 60 Subpart A §60.7(a)(4), 5C THSC 382.085(b), and 30 TAC §122.143(4).	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGGa 60.592a(a) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VVa 60.486a(b)(1) 5C THSC Chapter 382 382.085(b)	
Description:	The review of the deviation report, submitted on July 27, 2012 (page 53 of 56) indicated that Phillips failed to attach the tags for the leaking connectors for these units. The facility is in violation of the provisions of 40 CFR 60 Subpart GGGa §60.592a(a), 40 CFR 60 Subpart VVa §60.486a(b)(1), 5C THSC 382.085(b), and	

30 TAC §122.143(4).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGGa 60.592a(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VVa 60.486a(f)(1)
5C THSC Chapter 382 382.085(b)
Description: Phillips failed to maintain the list of unsafe-to-monitor for the connectors in Skid Boiler and GBR Unit. The facility is in violation of the provisions of 40 CFR 60 Subpart GGGa §60.592a(a), 40 CFR 60 Subpart VVa §60.486a(f)(1), 5C THSC 382.085(b), and 30 TAC §122.143(4).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
SC No. 20 OP
SC No. 46 PA
Description: The facility is in violation of the provisions of 30 TAC §116.115(c), 30 TAC §122.143(4), 5C THSC §382.085(b), special condition No.1 of the permit 85872, and special condition No. 20 of the SOP No. O-01440 for failure to maintain the NOx emission limits within the allowable limit for the Skid Boiler.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
SC No. 20 OP
SC No. 27 PA
Description: The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC §122.143(4), 5C THSC §382.085(b), special condition No. 27 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
SC No. 14 PA
SC No. 20 OP
Description: The review of the deviation report, submitted on January 30, 2013 (pages 33 and 34 of 61) indicated that unit's sulfur degassing process was shut down on December 25, 2012. The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC §122.143(4), 5C THSC §382.085(b), special condition No. 14 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440.

F. Environmental audits:

Notice of Intent Date: 07/21/2008 (700395)
Disclosure Date: 02/19/2009
Viol. Classification: Moderate
Citation: 40 CFR Part 60, Subpart VV 60.482-2
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(c)(1)(i)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
Description: Failure to complete routine method 21 inspections for 14 pumps. In addition, 3 AVO (audible, visual, olfactory) leaks exceeded the required 5 day first attempt at repair.
Viol. Classification: Moderate
Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(h)(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(h)(2)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
Description: Unit 28 was found to exceed the 3% difficult-to-monitor valve cap by 3.4 %.
Viol. Classification: Moderate
Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.480
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1
40 CFR Part 60, Subpart VV 60.482-7
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162(f)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162(g)
Description: Failure to tag components. Specifically, approximately 97 tags in Unit 9 plus smaller amounts in several other reviewed units were not available in the LeakDAS database.
Viol. Classification: Moderate

Citation: 40 CFR Part 60, Subpart VV 60.482-6
40 CFR Part 63, Subpart H 63.167
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)

Description: Failure to close open ended lines. Specifically, 3 open ended lines were found without control by cap, plug, blind, or double block valves.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(b)

Description: Failure to fill out all leak tags with appropriate data in Units 6 and 7.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162(f)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162(g)

Description: Failure to meet the 30 day monitoring requirement for 5 management of change components.

Notice of Intent Date: 10/20/2008 (707547)
Disclosure Date: 06/04/2009
Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.357(d)(2)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.357(d)(5)

Description: Failure to include uncontrolled wastewater streams in the 2007 total annual benzene report and benzene quantity quantifications.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.343(a)(1)(i)(A)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.343(c)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.346(b)(4)(iv)

Description: Failure to properly identify the HP7 recovery system equipment in the 2007 TAB/BQ report as "controlled"; however, the equipment in this area did not meet the physical control requirements (e.g., junction box covers) and the equipment was not included in the BWON program for visual inspections and fugitive monitoring.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.343(c)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.354(d)
40 CFR Part 61, Subpart FF 61.356(f)(2)(i)(G)

Description: Failure to maintain a record of carbon canister design replacement interval for the South Coble carbon canister system.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.342(e)

Description: Failure to comply with BWON regulations as they applied to a Remediation Pilot Project. Specifically, during the audit, the Borger Refinery discovered that BWON regulations applied to the Remediation Project which had been previously installed. The Pilot Project had operated from June 05, 2008 to December 01, 2008 without carbon canister controls on an enclosed Frac tank. Carbon canisters had been added to bring the Pilot Project in compliance with Texas Permit by Rule requirements.

Notice of Intent Date: 03/10/2009 (740239)
Disclosure Date: 12/18/2009
Viol. Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.10

Description: Failure to accurately report remediation fugitives from Emissions Inventory for reporting years 2005 to 2007.

Notice of Intent Date: 05/19/2009 (759301)
No DOV Associated

Notice of Intent Date: 04/05/2010 (826787)
No DOV Associated

Notice of Intent Date: 10/19/2010 (877218)
No DOV Associated

Notice of Intent Date: 02/14/2011 (901451)
No DOV Associated

Notice of Intent Date: 07/10/2012 (1022848)

No DOV Associated

Notice of Intent Date: 07/11/2013 (1104174)

Disclosure Date: 12/23/2013

Viol. Classification: Moderate

Citation: 40 CFR Part 60, Subpart VV 60.482-10

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-10(g)(1)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-10(g)(2)

Description: Failed to repair a PRV (LDAR #93-N704 in U40) that was identified as leaking as it was not repaired in 5 days that was due on 12/1/13, and it was also not repaired in 15 days that was due on 12/11/13. This was due to a database error.

Notice of Intent Date: 08/09/2013 (1114397)

No DOV Associated

Notice of Intent Date: 09/23/2013 (1122778)

No DOV Associated

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
PHILLIPS 66 COMPANY
RN102495884**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2013-2001-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding PHILLIPS 66 COMPANY ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a petroleum refinery at State Spur 119 North in Borger, Hutchinson County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notices of the violations alleged in Section II ("Allegations") on or about August 26 and 27, 2013.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Sixty-Eight Thousand Four Hundred Ninety-Four Dollars (\$68,494) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twenty-Seven Thousand Three Hundred Ninety-Eight Dollars (\$27,398) of the administrative penalty and

Thirteen Thousand Six Hundred Ninety-Eight Dollars (\$13,698) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Twenty-Seven Thousand Three Hundred Ninety-Eight Dollars (\$27,398) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On May 30, 2012, repaired the steam control valve in order to prevent a recurrence of visible emissions from Flare 66FL3;
 - b. On October 24, 2012, implemented a Vacuum Truck Checklist to ensure the data required in the daily records for each vacuum truck in operation is properly recorded and maintained;
 - c. By November 26, 2012, increased oxygen to the boiler, opened air louvers to add more air, and completed corrective action for emissions events in order to comply with the carbon monoxide ("CO") concentration in the Skid Boiler, Emissions Point Number ("EPN") SKIDBLR;
 - d. By December 6, 2012, trained personnel on the importance of making operational adjustments to the Sulfur Recovery Unit ("SRU"), upstream units, and downstream units in order to prevent visible emissions during the startup of the SRU Tail Gas Incinerators ("TGI");
 - e. By December 19, 2012, made adjustments on slurry to the riser, mixed out ammonia rates to the regenerator, restarted electrostatic precipitators, moved feed/slurry to other risers, unplugged the ammonia injection meters, and made operational adjustments to increase the bed temperature and lower the CO concentration in order to comply with the CO concentration in the Fluid Catalytic Cracking Unit ("FCCU") 40 Stack;
 - f. By September 30, 2013, began performing visual inspections of relief valves on the Unit 42 Gas Oil Hydrosulfurization Unit to determine if the relief valve needs to be repaired, removed, or replaced in order to prevent a recurrence of emissions events due to similar causes as Incident No. 182214; and
 - g. By October 17, 2013, trained staff on the importance of submitting certified and accurate 40 CODE OF FEDERAL REGULATIONS ("CFR") Part 60, Subpart QQQ semi-

annual reports and submitted a certification statement for all required inspections that had been carried out were included in the 40 CFR Part 60, Subpart QQQ semi-annual report.

10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to maintain the required daily records for each vacuum truck in operation at the Plant, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 80799, Special Conditions ("SC") No. 8C, and Federal Operating Permit ("FOP") No. 01440, Special Terms and Conditions ("STC") No. 20, as documented during an investigation conducted from June 10 through 25, 2013. Specifically, records were not available for September 26 and October 20, 2012.
2. Failed to operate the flare with no visible emissions except periods not to exceed a total of five minutes during any two consecutive hours, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 2C, and FOP No. 01440, STC No. 20, as documented during an investigation conducted from June 10 through 25, 2013. Specifically, visible emissions were observed from Flare 66FL3 for more than five minutes during two consecutive hours on May 29, 2012.
3. Failed to operate the SRU TGI with no visible emissions except for uncombined steam, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 10, and FOP No. 01440, STC No. 20, as documented during an investigation conducted from June 10 through 25, 2013. Specifically, visible emissions were observed from the SRU 34 TGI stack during startup on December 6, 2012.
4. Failed to maintain the concentration of CO in the FCCU 40 stack at less than 500 parts per million by volume ("ppmv") on an hourly average at zero percent oxygen when venting through the stack, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 22, and FOP No. 01440, STC No. 20, as documented during an investigation conducted from June 10 through 25, 2013. Specifically, the CO

concentration was greater than 500 ppmv in the FCCU 40 stack on January 9 and 31, June 5 and 13, and December 13, 16, and 18, 2012.

5. Failed to to maintain the concentration of CO at less than 50 ppm by dry volume ("ppmvd") on a three hour block average for EPN SKIDBLR, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit Nos. 85872 and PSDTX1158, SC No. 1A, and FOP No. 01440, STC No. 20, as documented during an investigation conducted from June 10 through 25, 2013. Specifically, the CO emissions were greater than 50 ppmvd on January 27, June 4 and 5, July 14, and November 26, 2012.
6. Failed to submit complete semiannual reports for 40 CFR Part 60, Subpart QQQ, in violation of 30 TEX. ADMIN. CODE § 101.20(1), TEX. HEALTH & SAFETY CODE § 382.085(b), and 40 CFR § 60.698(b)(1), as documented during an investigation conducted from June 10 through 25, 2013. Specifically, the seminannual reports submitted for 2010 through 2012 did not include a certification statement that all of the required inspections had been carried out in accordance with 40 CFR Part 60, Subpart QQQ.
7. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 1, and FOP No. 01440, STC No. 20, as documented during a record review conducted on July 24, 2013. Specifically, the Respondent released 975 pounds ("lbs") of sulfur dioxide, 27 lbs of volatile organic compounds, 11 lbs of hydrogen sulfide, 5 lbs of hydrogen, 3 lbs of CO, and 3 lbs of nitrogen oxides from EPN 66FL12 during an emissions event (Incident No. 182214) that began on April 29, 2013 and lasted one hour and 15 minutes. The event occurred when a relief valve on the Unit 42 Gas Oil Hydrosulfurization Unit lifted prematurely and the vapors were routed to the flare. Since this event could have been avoided by better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: PHILLIPS 66 COMPANY, Docket No. 2013-2001-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Twenty-Seven Thousand Three Hundred Ninety-Eight Dollars (\$27,398) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or

authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Ramon Moner J
For the Executive Director

8/26/14
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Peter C. Stynes
Signature

June 25, 2014
Date

Peter C. Stynes
Name (Printed or typed)
Authorized Representative of
PHILLIPS 66 COMPANY

Refinery Manager
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2013-2001-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Phillips 66 Company
Penalty Amount:	Fifty-Four Thousand Seven Hundred Ninety-Six Dollars (\$54,796)
SEP Offset Amount:	Twenty-Seven Thousand Three Hundred Ninety-Eight Dollars (\$27,398)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Borger Independent School District
Project Name:	<i>Borger ISD Clean School Bus Replacement Program</i>
Location of SEP:	Hutchinson County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description
a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Borger Independent School District** for the *Borger ISD Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel and gasoline buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel or gasoline school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director (“ED”), be applied to another pre-approved SEP.

PHILLIPS 66 COMPANY
Agreed Order - Attachment A

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Borger Independent School District SEP** and mail the contribution with a copy of the Agreed Order to:

Borger Independent School District
200 East Ninth Street
Borger, Texas 79008-1177

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount due to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

PHILLIPS 66 COMPANY
Agreed Order - Attachment A

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent, must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.